
STATE WATER RESOURCES CONTROL BOARD
DIVISION OF ADMINISTRATIVE SERVICES
Program Evaluation Services
Request for Offer

Interested California Multiple Award Schedule (CMAS) contractors are invited to submit proposals to conduct a comprehensive program evaluation of the State Water Resources Control Board's (State Water Board) fiscal and administrative management of the Underground Storage Tank Fund Cleanup. Details are included in this Request for Offer (RFO). [Proposals are due via email by 3:00 p.m. on Thursday, April 16, 2009 to:](#)

Miles Burnett
Assistant Deputy Director
Division of Administrative Services
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814
Phone: (916) 341-6997
Fax: (916) 341-5048
E-mail: mburnett@waterboards.ca.gov

A. OBJECTIVES

To perform a comprehensive program evaluation of the State Water Board's fiscal and administrative management of the Underground Storage Tank Cleanup Fund (0439). The evaluation shall:

- Assess the State Water Board's compliance with statutes, regulations, policies, and procedures.
- Document and assess the efficiency and effectiveness of the policies, procedures, and processes for managing the USTCF.
- Document and assess internal controls.

B. TIMELINE

Services are expected to commence on June 1, 2009, and end by December 31, 2009. The total contract cost shall be no more than \$250,000.

C. BACKGROUND

Federal and state laws require every owner and operator of a petroleum underground storage tank (UST) to maintain financial responsibility to pay for any damages arising from their tank operations. The Barry Keene Underground Storage Tank Cleanup Fund Act of 1989 was created by the California Legislature to provide a means for UST owners and operators to meet the federal and state requirements and pay for the cleanup of contaminated soil and groundwater when a leak is discovered. The Underground Storage Tank Cleanup Fund (USTCF) is administered by the State Water Board.

The USTCF reimburses corrective action costs paid or incurred for cleanup work that was the result of an unauthorized release of petroleum from a UST that caused contamination of soil and/or groundwater. Funds are disbursed only after costs are actually incurred or paid. Corrective action costs include preliminary site assessment, soil and water investigations, corrective action implementation and verification monitoring after the cleanup is completed.

The USTCF also reimburses third-party compensation claims for amounts awarded by a court-approved settlement agreement, final judgment, or arbitration award by a court-appointed arbitrator. The USTCF also provides money to the regional boards and local regulatory agencies to abate emergency situations or to undertake corrective action at abandoned sites that pose a threat to human health, safety, and the environment as a result of a petroleum release from a UST. The USTCF also provides loan and grant funds for upgrading and replacing underground storage tanks. Finally, starting in FY 2009-10, the USTCF will provide \$10 million a year to pay for cleanup of contaminated soil from underground storage tanks at school sites.

To be eligible to file a claim with the USTCF, the claimant must be a current or past owner or operator of the UST from which an unauthorized release of petroleum has occurred, and be required to undertake corrective action as directed by the regulatory agency. Other eligibility conditions include compliance with applicable state UST permitting requirements, payment of UST storage fees, compliance with regulatory agency cleanup orders, and compliance with the federal financial responsibility requirement. In addition to petroleum USTs, owners of certain small home heating oil tanks that have had an unauthorized release of petroleum are eligible. The maximum coverage available from the Fund is \$1.5 million per occurrence.

In 1992, the USTCF began paying claims for corrective action costs. Since the inception of the program through June 2008, the Fund has paid over 60,000 reimbursement requests totaling \$2.4 billion covering cleanups at more than 9,000 sites. Although cleaning up pollution associated with leaks from their tanks

has always been the responsibility of the tank owners or operators, the USTCF has been able to relieve many businesses of much of the financial consequences of those leaks.

The USTCF's revenues are generated from a \$.014 per gallon fee on petroleum products placed into underground storage tanks. The fee is collected quarterly by the Board of Equalization from owners of active USTs.

In the last six months or so, due to high demand for reimbursement payments, a depleted cash reserve, and a dip in program revenue, the State Water Board has had to take actions to manage available funds in a manner consistent with legislative mandates. Those actions include delays in issuing reimbursement payments, suspension of active letters of commitment, and delays in issuing new letters of commitment.

D. TASKS AND DELIVERABLES

The contractor shall provide reports and documentation for all tasks in written and electronic format.

Task I: Project Kickoff / Strategy Session

The contractor will work with the State Water Board to develop a plan of action to guide the study.

The contractor shall:

- Conduct and facilitate a project kickoff / strategy session with the State Water Board's project team to confirm the processes that will be followed for the engagement and define how State Water Board stakeholders will participate.
- Work with the State Water Board's project team to develop a list of expected outcomes for the project.
- Prepare a project plan based upon the information gathered at the strategy session that will guide the project through to completion.

Task I Deliverables:

- Deliverable 1: Project Plan.

Task II: Program Evaluation

The contractor will conduct a comprehensive program evaluation of the State Water Board's fiscal and administrative management of the USTCF. The program evaluation will assess the State Water Board's compliance with statutes, regulations, policies, and procedures; assess the efficiency and effectiveness of its policies, procedures, and processes at meeting program goals and objectives; and assess internal controls to prevent fraud and other activities incompatible with generally accepted accounting principles, State Administrative Manual guidelines, and sound fund management practices.

The contractor shall:

- Document and assess compliance with applicable statutes, regulations, policies and procedures.
- Document and assess the efficiency and effectiveness of the policies, procedures, and processes for determining reimbursement eligibility and awarding funds.
- Document and assess the efficiency and effectiveness of the policies, procedures, and processes for processing and paying claims (including processing applications and reimbursement requests).
- Document and assess the efficiency and effectiveness of the following processes: claims review, payments review, cost pre-approval review, settlements review, assignment review, closure review, and five-year review.
- Document and assess the efficiency and effectiveness of the policies, procedures, and processes for accounting for revenue and expenditures, including whether these policies, procedures, and processes are compatible with generally accepted accounting principles and the State Administrative Manual.
- Document and assess the efficiency and effectiveness of the policies, procedures, and processes for ensuring that reimbursement requests are for allowable costs and that reimbursement funds are used appropriately by claimants.
- Document and assess the efficiency and effectiveness of internal controls.
- Document and assess the efficiency and effectiveness of cash flow management practices.
- Document and assess the efficiency and effectiveness of revenue and expenditure forecasting practices.
- Document and assess the efficiency and effectiveness of the policies, procedures, and processes for funding, accounting for, and managing activities associated with the Emergency, Abandoned, Recalcitrant

Account; Commingled Plume Account; Orphan Site Cleanup Account; the Drinking Water Treatment and Research Fund; and any other financial activity supported by or involving the USTCF.

Task II Deliverables:

- Preliminary Program Evaluation Report for State Water Board Review

Task III: Final Program Evaluation Report

The contractor shall prepare a final report of the findings of the State Water Board's fiscal and administrative management of the USTCF and recommendations on how the State Water Board can improve its fiscal and administrative management of the USTCF. The final report shall address any deficiencies or other issues identified during the State Water Board's review of the preliminary program evaluation report.

Task III Deliverables:

- Final Program Evaluation Report

E. CONTRACTOR RESPONSIBILITIES

The contractor will be required to work onsite as needed at the Sacramento office of the State Water Board (1001 I Street, Sacramento, CA), cooperatively and as part of a larger team of State Water Board staff. The contractor will attend project meetings, present issue papers, and resolve project issues.

The contractor must adhere to the State Water Board's Information Technology security, Internet and network policies. In addition, the contractor must also provide the State Water Board with a security certification and sign the State Water Board's Internet usage policy consent form for all staffing resources dedicated to this RFO.

The contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

Travel expenses will not be covered by the State Water Board. The contractor is responsible for covering all travel costs associated with this contract.

The contractor shall invoice the Division of Administrative Services (DAS) for Tasks I, II and III based upon satisfactory completion of the tasks and deliverables associated with each Task as described in Section D. All travel costs

will be the responsibility of the contractor. Cost for equipment, hardware, and software are not included as part of the hourly rate for services provided in this contract. The contractor will notify DAS if additional materials are needed to complete the work. All additional materials must be approved by the Contract Manager and purchased by the State Water Board in a separate procurement process.

The contractor's final project team members must be the same staff stipulated in the proposal. The State recognizes that a resignation, or other such event, may cause team members to not be available for the duration of this project. If this event should occur, the contractor must agree that the State reserves the right to approve or deny all replacement project team members assigned to the project. The contractor will not be allowed extra time or money to replace personnel. The contractor's management must supervise all contractor project personnel and the contractor's management must mitigate any contract personnel issues. The contractor and the contracting company must be responsible for the quality of service delivered to the State by any temporary backup personnel or permanent replacement personnel on the project team.

Certification Section:

In your offer response, please include the following certification:

1. Contractors must wait three (3) months from CMAS order termination/expiration before submitting the same candidate's resume for work at the same agency or department.

"This is certifying that this company complies with Government Code 19130.b (10) requiring Contractors to wait three (3) months from CMAS order termination/expiration before submitting the candidate's resume for work at the same agency/department."

2. All materials developed under the terms of this agreement will become the property of the State Water Board. The State Water Board reserves the exclusive right to copyright such material and to publish, disseminate, and otherwise use materials developed under the terms of this agreement.

"This is certifying that this company complies with the requirement that all materials developed under the term of this agreement will become the property of the State Water Board. The State Water Board reserves the exclusive right to copyright such material and to publish, disseminate, and otherwise use materials developed under the terms of this agreement."

3. Contractors must certify their proposal response is not in violation of Public Contract Code (PCC) Section 10365.5 and, if applicable, must identify previous consultant services contracts that are related in any manner to the services, goods, or supplies being acquired in this solicitation.

"This is certifying that this company complies with PCC Section 10365.5, which generally prohibits a person, firm, or subsidiary thereof that has been awarded a consulting services contract from submitting a bid for and/or being awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of a consulting services contract.

PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than 10 percent of the total monetary value of the consulting services agreement. Consultants and employees of a firm that provides consulting advice under an original consulting contract are not prohibited from providing services as employees of another firm on a follow-on contract, unless the persons are named contracting parties or named parties in a subcontract of the original contract.

PCC Section 10365.5 does not distinguish between intentional, negligent, and/or inadvertent violations. A violation could result in disqualification from bidding, a void contract, and/or imposition of criminal penalties."

F. PROCESS FLOW

The contractor will work directly with State Water Board staff. The contractor will report to the Contract Manager when coordinating work to be done related to this RFO.

G. SELECTION CRITERIA

The contractor must respond to this statement of work request with the following information:

- Describe your experience with governmental accounting and fund management practices.
- Describe your experience working with agencies and programs in California state government.
- Describe your experience conducting fiscal and administrative evaluations of government programs.

The following criteria will be used by the State Water Boards to select a successful contractor.

Criteria
1. Offer Price – an evaluation of the competitiveness of the price
2. Expertise – an evaluation of the contractor's expertise in evaluating government programs
3. References – an evaluation of contractor references

H. CONTRACT COSTS

The contractor's cost proposal shall include an hourly CMAS rate by technical staff classification and according to their current and approved CMAS contract with the Department of General Services. The contractor's cost proposal shall include a fixed fee bid for all tasks. The contractor shall invoice DAS based upon satisfactory completion of the tasks outlined in Section D. All travel costs will be the responsibility of the contractor.

The cost for equipment, hardware and software should not be included as part of the hourly rate for services provided. The contractor shall notify DAS if additional materials are needed to complete the work.

Invoice payments will be processed based upon the satisfactory completion of deliverables associated with each task. Invoices must include a breakdown of charges; contractor staff name, classification, and rate; description of completed work; total hours worked; and total dollar amount due.

The total offer cost shall not exceed \$250,000 for this request for offer. The term of this contract will be six months with an estimated start date of June 1, 2009.

The contract resulting from this Request for Offer may be amended in writing for an amount up to the dollar limit of the State Water Board's Delegated Purchasing Authority at or below the rates published in the contractor's Leveraged Procurement Agreement at the time of the amendment, and the contract may be amended for time up to a total term not to exceed three years, to the extent allowed by the terms of the Leveraged Procurement Agreement.

I. RESPONSE INSTRUCTIONS

Interested CMAS qualified parties are invited to respond to this solicitation. [Responses are due to Miles Burnett via email by 3:00 p.m., Thursday, April 16, 2009.](#) No offers will be accepted after this time. If you choose not to respond to this solicitation, please state the reason why in your email. The proposal will be evaluated on a “best value” to the State of California. The evaluation and selection criteria will be based on the following minimum criteria:

1. A statement of qualifications including identification of individual vendor team members that will be devoted to the project by classification title and their respective roles with resumes detailing their technical background and experience evaluating government programs and government cost accounting systems.
2. A fully detailed statement of work including tasks, associated hours of effort and costs based on an hourly rate (cannot exceed rates listed in CMAS contract) by classification title for the services listed in Section D (Tasks). See Table 1 at the end of this section for the recommended format for presenting this information.
3. A narrative describing the proposed offer.
4. At least (3) references from recent clients who can be contacted about vendor team member qualifications and performance.
5. A complete copy of the current CMAS contract.
6. Failure to provide the minimum documentation requirements may cause the offer to be deemed non responsive.

Table 1: Formatting tasks, hours, staff/classification and rate information in a table / matrix will facilitate proposal evaluation:

Summary Level Activities	Project Staff Classification A		Project Staff Classification B		Project Staff Classification C			
	Hours	Rate	Hours	Rate	Hours	Rate	Total Hours	Total \$\$\$
Task 1								
Task 2								
Task 3								
Task 4 etc.								
Total Proposed Cost								

J. QUESTIONS/CONTACT INFORMATION

Any questions and responses to this RFO should be directed to:

Miles Burnett
Assistant Deputy Director
Division of Administrative Services
State Water Resources Control Board
1001 I Street, 18th floor
Sacramento, CA 95814
mburnett@waterboards.ca.gov
(916) 341-6997